

PUBLIC DISCLOSURE

October 25, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BRAINTREE COOPERATIVE BANK

1010 WASHINGTON STREET
BRAINTREE, MA 02184

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
--

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of BRAINTREE COOPERATIVE BANK prepared by the Massachusetts Division of Banks, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

This rating is based on the five performance criteria that are evaluated within the performance context section of this Public Evaluation. Particular emphasis was placed on the bank's record of lending to low and moderate-income borrowers within its assessment area. Braintree Cooperative Bank was ranked ninth in market share in 1998 for lending to borrowers of low-incomes. The market share report utilized was based on 368 banks and non-bank entities including large national mortgage companies and credit unions that originated HMDA-reportable loans within the assessment area.

The bank's average net loan to deposit ratio over the past two years is 68.8 percent. Based on the bank's capacity to lend and the lending capacity of other similarly situated institutions this ratio is considered to meet the standards of satisfactory performance.

Lending within the assessment area is considered to meet the standards of satisfactory performance. In 1998 and year-to-date September 30, 1999, Braintree Cooperative Bank granted a total of 372 residential mortgage loans. Of that amount 260 or 69.9 percent were granted within its assessment area.

Fair Lending performance is also considered to meet the standards of satisfactory performance and there have been no CRA related complaints since the previous examination.

Based on the institution's efforts, and described in detail throughout this Public Evaluation, Braintree Cooperative Bank's performance is considered to be at a satisfactory level.

PERFORMANCE CONTEXT

Description of Institution

Braintree Cooperative Bank, chartered under the laws of the Commonwealth of Massachusetts in 1889, currently has assets of approximately \$131 million. The bank operates from two full service offices that are both located in Braintree, Massachusetts. The bank's main office is located at 1010 Washington Street in South Braintree Square and the branch office with an adjacent loan center is located in 372 Washington Street Braintree. Both offices provide the availability of drive up windows.

The bank's business hours are considered reasonable and convenient to the local community. Both offices offer extended hours during the week and are opened on Saturdays. Automated Teller Machines (ATMs) that are linked to the TX, NYCE, CIRRUS and PLUS networks are maintained at both locations. The bank also maintains an ATM kiosk that is located at 345 Grove Street in Braintree. The two drive-up ATM terminals located in this kiosk were constructed in 1998 and began operating in the first quarter of 1999.

Braintree Cooperative Bank is a member of the SUM Program, a surcharge-free alliance of several financial institutions including over 1,000 ATMs throughout Massachusetts. The bank's ATM/Debit cardholders can avoid ATM surcharges by conducting business at alliance members' ATMs bearing the SUM logo.

Management of the bank is committed to providing its customers with a community-oriented approach to banking and continues to participate in the Basic Banking for Massachusetts Program. This statewide voluntary program provides affordable checking and savings accounts to those of modest incomes.

A variety of loan products are also available at Braintree Cooperative Bank. Along with its traditional products, the bank offers special programs with flexible lending criteria designed to assist the needs of low and moderate-income borrowers. These programs consist of its first time homebuyers program and the Massachusetts Housing Finance Agency First Time Home Buyer program (MHFA).

The following table details the bank's loan. This information was obtained from the bank's September 30, 1999 Call Report.

<i>Loan Portfolio as of September 30, 1999</i>	
Type of Loans	\$000's
Construction & Land Development	4,000
Residential Real Estate	
a. 1-4 Family Mortgages	69,700
b. Home Equity Lines	1,054
c. Multifamily	2,261
Commercial Loans	
a. Commercial Real Estate	7,899
b. Commercial & Industrial Loans	273
c. Agricultural Loans	0
Consumer Loans	
a. Credit Cards & Related Plans	202
b. Loans to Individuals	1,436
Gross Loans	86,825

The Federal Deposit Insurance Corporation (FDIC) last conducted a CRA Examination on October 19, 1998 and assigned the bank a satisfactory rating. Prior to that examination, the Massachusetts Division of Banks assigned the bank a Satisfactory rating for CRA compliance on March 18, 1997. The bank's ability to meet community credit needs remains sufficient based on its size and resources.

Description of Assessment Area

The Community Reinvestment Act requires a financial institution to identify an assessment area in which it intends to focus its lending efforts. Braintree Cooperative Bank defines its assessment area as the five cities and towns of Braintree, Holbrook, Quincy, Randolph and Weymouth. The entire assessment area is located in Norfolk County and within the Boston Metropolitan Statistical Area (MSA). The Boston MSA has an estimated median family income of \$60,000 for 1998, and \$62,700 for 1999, which is adjusted for inflation by the Department of Housing and Urban Development (HUD)

In total there are 40 census tracts within the bank's assessment area: 1 low-income, 2 moderate-income, 36 middle-income, and 1 upper-income. All of the low and moderate-income census tracts are located within the City of Quincy. The one upper-income census tract is located in the Town of Braintree

According to 1990 U.S. Census data, the bank's assessment area has a combined population of 214,018, with a total of 55,392 family households and a total of 87,137 housing units. Of the total housing units, 50,954 or 58.5 percent are owner occupied, and 34,313 or 39.4 percent are rental units. The weighted average median housing value in the assessment area is approximately \$157,556. The U.S. Bureau of the Census defines a Household as all persons occupying a housing unit. A Family Household is defined as having two or more persons related by birth, marriage or adoption occupying the same housing unit. Refer to the following table for more information.

ASSESSMENT AREA DEMOGRAPHICS				
CENSUS TRACT INCOME LEVEL	# OF CENSUS TRACTS	CENSUS TRACT PERCENTAGE	# FAMILY HOUSEHOLDS	MEDIAN HOUSING VALUE
Low	1	2.5	808	139,600
Moderate	2	5.0	2,772	140,446
Middle	36	90.0	50,312	158,701
Upper	1	2.5	1,500	171,400
TOTAL	40	100.0	55,392	

Source: 1990 Census Data

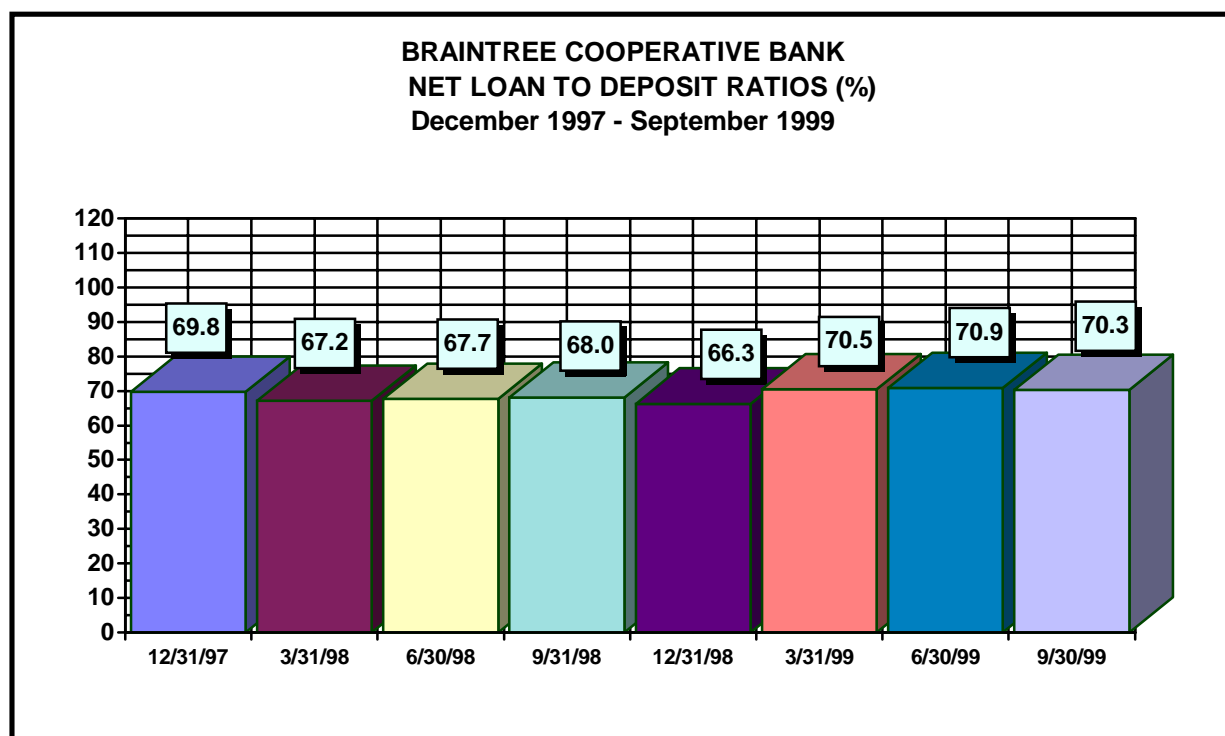
Although the cities and towns that make up the bank's assessment area are considered mature communities, housing stock continues to grow, especially in the Town of Braintree. Braintree has a diverse mix of residential properties ranging from small homes to large expensive subdivisions and several condominium complexes. In the past, farming and manufacturing sustained Braintree's economy but today white-collar and service-sector jobs seem to predominate. Several large office parks have sprung up and the nearby South Shore Plaza has been a retail mainstay for nearly 40 years.

Competition within the bank's assessment area is significant. The bank's competition includes both state and nationally chartered financial institutions located within its assessment area. Aggregate data for lending performance purposes only consists of 368 (both large and small) mortgage companies, savings bank's, commercial bank's, cooperative banks, and credit unions, which have originated and/or purchased residential mortgage and/or home improvement loans within the bank's assessment area. This information was generated by PCI Services, CRA WIZ Software. Braintree Cooperative Bank ranked 27th overall with a market share of 1.05 percent.

PERFORMANCE CRITERIA

1. LOAN TO DEPOSIT ANALYSIS

A comparative analysis of Braintree Cooperative Bank's quarterly net loan-to-deposit ratio was conducted during this examination. The analysis utilized the previous eight quarters of the Federal Financial Institutions Examination Council (FFIEC) Call Report data for this institution. This ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total deposits. The bank's average net loan-to-deposit ratio for the period of December 31, 1997 through September 30, 1999, is 68.8 percent, and is considered to meet the standards of satisfactory performance. Detailed below is the net loan to deposit ratio for each quarter under review.



As mentioned in the performance context section of this report, the bank's assessment area is very competitive. The following table includes four institutions that are similar in asset size to Braintree Cooperative Bank. The table details the institutions' asset size, deposits, net loans, net loan to asset ratio and net loan to deposit ratio as of March 31, 1999. The institutions are listed with the net loan to deposit ratio in descending order. Refer to the following table.

<i>Institution</i>	<i>Assets (000's)</i>	<i>Deposits (000's)</i>	<i>Net Loans (000's)</i>	<i>Loan to Assets</i>	<i>Loan to Deposit</i>
South Shore Co-operative Bank	76,293	54,490	56,478	74.0	103.7
Weymouth Co-operative Bank	95,614	84,818	67,154	70.2	79.2

Braintree Co-operative Bank	126,803	117,734	82,967	65.4	70.5
Holbrook Co-operative Bank	58,709	53,595	33,562	57.2	62.6
Randolph Savings Bank	218,648	199,053	106,065	48.5	53.3

Based on the above information, the bank's asset size and resources, competition, and the credit needs of the assessment area, the bank's net loan to deposit ratio is considered reasonable and meets the standard for satisfactory performance.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

Braintree Cooperative Bank's 1998 and year to date September 30, 1999 Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's delineated assessment area. During this period, the bank originated 372 HMDA-reportable loans totaling approximately \$42,929,000. Of this amount, 260 loans, or 69.9 percent of the number, totaling \$28,311,000, or 65.9 percent of the dollar amount, was originated in the bank's assessment area. HMDA-reportable loans consist of home purchase or home improvement loans that an institution originates or purchases, or for which it has received an application. The following table details the number and dollar amount of HMDA-reportable loans that Braintree Cooperative Bank has originated inside and outside of its assessment area.

HMDA-Reportable Loans by Number of Originations

Location	1998		Y-T-D 1999		Totals	
	#	%	#	%	#	%
Braintree	82	44.3	80	42.8	162	43.6
Weymouth	21	11.3	19	10.1	40	10.7
Quincy	16	8.7	11	5.9	27	7.3
Randolph	7	3.8	9	4.8	16	4.3
Holbrook	7	3.8	8	4.3	15	4.0
Inside Assessment Area	133	71.9	127	67.9	260	69.9
Outside Assessment Area	52	28.1	60	32.1	112	30.1
Total	185	100.0	187	100.0	372	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 9/30/99

HMDA-Reportable Loans by Dollar Amount of Originations

Location	1998		Y-T-D 1999		Totals	
	\$ (000)	%	\$ (000)	%	\$(000)	%
Braintree	8,138	42.1	9,857	41.7	17,995	41.9
Weymouth	1,997	10.3	2,404	10.2	4,401	10.3
Quincy	1,461	7.6	1,340	5.7	2,801	6.5

Holbrook	675	3.5	889	3.8	1,564	3.6
Randolph	622	3.2	928	3.9	1,550	3.6
Inside Assessment Area	12,893	66.7	15,418	65.3	28,311	65.9
Outside Assessment Area	6,426	33.3	8,192	34.7	14,618	34.1
Total	19,319	100.0	23,610	100.0	42,929	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 9/30/99

As detailed above the Town of Braintree accounted for the majority in both number and dollar amount of HMDA-reportable loans. This is to be expected since both of the bank's offices are located in this town.

Market statistical data for Calendar Year 1998 compiled by PCI Services, Inc. CRA Wiz indicated that Braintree Cooperative Bank ranked 27th in market share for HMDA-reportable originations and purchases throughout its assessment area, out of 368 lenders. The bank's market share was 1.05 percent. Those lenders ranking higher consisted mainly of large mortgage companies and banks of much larger asset size. Only one bank comparable in size to Braintree Cooperative Bank was included and ranked 21st.

Based on all of the above information and the fact that more than a majority of the bank's residential loans have been extended within its assessment area, Braintree Cooperative Bank meets the standards for satisfactory performance.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The bank's residential loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes were compared to the median family incomes for the Boston Metropolitan Statistical Area (MSA). These income figures are based on estimated Department of Housing and Urban Development (HUD) information. The estimated median family income in 1998 and 1999 were \$60,000 and \$62,700, respectively.

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA; moderate income is defined as 50 to 79 percent of the median family income; middle income is defined as income between 80 and 119 percent of the median family income; and upper income is defined as income greater than 120 percent of the median family income.

The following tables show, by number and dollar amount, HMDA-reportable loans to low, moderate, middle and upper-income borrowers in comparison to the number of family households in the assessment area in each respective income group.

Distribution of HMDA-Reportable Loans Within the Assessment Area to Borrowers of Different Income Levels By Number

Borrower Income Level	Family Households		1998		Y-T-D 1999		Total	
	#	%	#	%	#	%	#	%
< 50%	9,425	17.0	15	11.3	12	9.4	27	10.4
50 - 79%	11,206	20.2	36	27.1	27	21.3	63	24.2
80 - 119%	15,154	27.4	43	32.3	34	26.8	77	29.6
> = 120%	19,607	35.4	39	29.3	51	40.2	90	34.6
NA	0	0.0	0	0.0	3	2.3	3	1.2
Total	55,392	100.0	133	100.0	127	100.0	260	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 9/30/99

**Distribution of HMDA-Reportable Loans Within the Assessment Area to Borrowers
of Different Income Levels By Dollar Amount**

Borrower Income Level	Family Households		1998		Y-T-D 1999		Total	
	#	%	\$ (000)	%	\$ (000)	%	\$ (000)	%
< 50%	9,425	17.0	841	6.5	933	6.1	1,774	6.3
50 - 79%	11,206	20.2	3,057	23.7	3,148	20.4	6,205	21.9
80 - 119%	15,154	27.4	4,666	36.2	4,512	29.3	9,178	32.4
> = 120%	19,607	35.4	4,329	33.6	6,257	40.6	10,586	37.4
NA	0	0.0	0	0.0	568	3.6	568	2.0
Total	55,392	100.0	12,893	100.0	15,418	100.0	28,311	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 9/30/99

Approximately 37.2 percent of the family households within the assessment area are considered to be low and moderate-income. In 1998 and year-to-date September 30, 1999, Braintree Cooperative Bank extended 34.6 percent of its residential loans to low and moderate-income borrowers, which is comparable to the percentage of low and moderate-income family households.

The distribution of the bank's loans among various borrower income levels was also compared to that of all other HMDA-reportable lenders within the assessment area. As mentioned previously, other HMDA-reporters include 368 bank and non-bank entities such as large national banking institutions, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 1998 and is presented in the following table.

**1998 Lending Within the Assessment Area to Borrowers of Different Income
Levels Compared to All Other HMDA-Reporters**

Borrower Income Level	Braintree Cooperative Bank 1998		All Other Reporters	
	#	%	#	%
< 50%	15	11.3	696	5.5

50 - 79%	36	27.1	2,454	19.5
80 - 119%	43	32.3	3,662	29.1
> = 120%	39	29.3	3,637	28.9
NA	0	0.0	2,144	17.0
Total	133	100.0	12,593	100.0

Source: PCI Services, Inc. CRA WIZ.

The distribution of the bank's residential loans to low-income borrowers is favorable when compared to that of all other HMDA-reporters within the assessment area. As shown above, the bank's percentage of lending to borrowers of low-income was 11.3 percent, which greatly exceeds that of the aggregate who originated 5.5 percent.

Braintree Cooperative Bank's HMDA-reportable loans to moderate-income borrowers within the assessment area accounted for 27.1 percent by number. This percentage also exceeded that of the aggregate which granted 19.5 of total loans to moderate-income borrowers.

In 1998, Braintree Cooperative Bank ranked 9th in lending to low-income borrowers within its assessment area, capturing 2.1 percent of the market. Braintree Cooperative Bank ranked 18th in lending to moderate-income borrowers within its assessment area, which accounted for 1.5 percent of the market. It is important to note that, as mentioned before, the bank ranked 27th in overall lending in the assessment area but improved in these categories. The lending institutions that ranked higher consisted of large national mortgage companies and much larger banking institutions.

The distribution of HMDA-reportable lending by borrower income demonstrates the bank's willingness to lend to borrowers of all income levels, particularly those of low and moderate-income. Braintree Cooperative Bank is considered to exceed the standards of satisfactory performance in this criterion.

4. GEOGRAPHIC DISTRIBUTION OF LOANS

The HMDA-reportable loans located within the bank's assessment area were also analyzed to determine their location by census tract income level. As mentioned in the Performance Context of this Report, the assessment area is comprised of 40 census tracts: 1 or 2.5 percent designated as low-income; 2 or 5.0 percent as moderate-income; 36 or 90.0 percent as middle-income; and 1 or 2.5 percent as upper-income.

The following table provides a breakdown, by number and dollar amount, of the bank's HMDA-reportable loans within its assessment area according to census tract income level. The table also shows the loans in comparison to the number of owner-occupied housing units in each of the census tract income categories.

**Distribution of HMDA-Reportable Loans Within the Assessment Area by
Census Tract Income Level**

Census Tract Income Level	Owner-Occupied Properties		1998		Y-T-D 1999		Total	
	#	%	#	%	#	%	#	%
Low	352	0.7	1	0.7	2	1.6	3	1.1
Moderate	1,781	3.5	3	2.3	0	0.0	3	1.1
Middle	47,228	92.7	113	85.0	113	89.0	226	87.0
Upper	1,593	3.1	16	12.0	12	9.4	28	10.8
Total	50,954	100.0	133	100.0	127	100.0	260	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 12/30/99

**Dollar Volume of HMDA-Reportable Loans Within the Assessment Area by
Census Tract Income Level**

Census Tract Income Level	Owner-Occupied Properties		1998		Y-T-D 1999		Total	
	#	%	\$ (000)	%	\$ (000)	%	\$ (000)	%
Low	352	0.7	100	0.8	154	1.0	254	0.9
Moderate	1,781	3.5	181	1.4	0	0.0	181	0.6
Middle	47,228	92.7	10,923	84.7	13,959	90.5	24,882	87.9
Upper	1,593	3.1	1,689	13.1	1,305	8.5	2,994	10.6
Total	50,954	100.0	12,893	100.0	15,418	100.0	28,311	100.0

Source: HMDA/LAR Data for the period 1/1/98 to 9/30/99

As shown in the above table, 3 loans, representing 2.2 percent of the number of the bank's total mortgage loans within the assessment area for 1998 and year to date September 30, 1999, were within low-income census tracts. This represents 1.5 percent of the total dollar volume within the assessment area. As illustrated above, the small percentage of owner-occupied properties within the low-income census tracts limits the lending opportunities in that area.

A comparative analysis of Braintree Cooperative Bank's lending performance by census tract income category was also conducted in comparison to all other HMDA-reportable lenders in the assessment area. The most recent data available for this analysis relates to calendar year 1998 and is presented in the following table.

**1998 Lending Within the Assessment Area by Census Tract Income Level
Compared to All Other HMDA-Reporters**

Census Tract Income Level	Braintree Cooperative Bank 1998		All Other Reporters	
	#	%	#	%
Low	1	0.7	69	0.5
Moderate	3	2.3	560	4.4

Middle	113	85.0	11,612	92.2
Upper	16	12.0	352	2.9
Total	133	100.0	12,593	100.0

Source: HMDA Data for the period 1/1/98 to 9/30/99.

Braintree Cooperative Bank's lending performance within the low and moderate-income census tracts is only slightly lower than the aggregate. As mentioned previously, the low and moderate-income census tracts are all located in the City of Quincy. The proximity of the bank's office locations to these areas is a factor to be considered. Both office locations are situated in the Town of Braintree. The main office is situated in a middle-income census tract while the branch office is situated in an upper-income census tract.

Considering Braintree Cooperative Bank's size, resources and the competition from larger financial institutions operating within the same market area, lending within the various census tracts reflects reasonable penetration and meets the standard of satisfactory performance.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICIES AND PRACTICES

Based upon the review of the bank's public comment file and its performance relative to fair lending policies and practices the institution meets the standards for satisfactory performance.

REVIEW OF COMPLAINTS

A thorough review of the public comment file revealed that the bank received no complaints pertaining to its CRA performance since the previous examination.

FAIR LENDING POLICIES AND PRACTICES

The bank has a written Fair Lending Policy that was last reviewed and approved by the Board of Directors on July 21, 1998. Included in this policy are guidelines for non-discriminatory behavior with potential loan applicants and the general customers of the bank. This policy adequately addresses the standards set forth in the Division of Bank's Regulatory Bulletin 2.3-101.

STAFF TRAINING

Braintree Cooperative Bank has an ongoing training program for the entire staff that includes in-house lectures, seminars and computer based training and external training through trade organizations.

In 1998, management conducted a training seminar for all employees. The topics covered included the Equal Credit Opportunity Act, the Fair Housing Act, the Community Reinvestment Act, and the Home Mortgage Disclosure Act.

Fair Lending or CRA training has not yet been conducted in 1999.

STAFF COMPOSITION AND COMPENSATION

As of this examination date, Braintree Cooperative Bank's staff consists of 29 full-time and 10 part-time employees. Three employees speak foreign languages, which include French, Italian, and Spanish. Bank personnel responsible for loan originations are not compensated on a commission basis; and therefore are not encouraged to originate large dollar loans at the expense of originating smaller loans which may be to lower income individuals.

OUTREACH

Management and the Board of Directors maintain proactive attitudes in addressing community credit needs. Meaningful and ongoing relationships are maintained with community organizations and small business owners in the area in order to determine the credit needs of its assessment area. In addition, management stated that credit needs are determined primarily through informal discussions with customers and potential customers.

CREDIT PRODUCTS AND UNDERWRITING STANDARDS

Braintree Cooperative Bank offers and participates in special loan programs aimed at meeting the credit needs of low and moderate-income homebuyers. These programs utilize flexible lending criteria and are detailed below.

Braintree Cooperative Bank offers a First Time HomeBuyers program that offers up to 95 percent financing for the purchase of one-to-four family owner occupied residences within the assessment area. Eligible applicants must meet the income limitations. The program features reduced closing costs, no points, and no private mortgage insurance (PMI) with as little as 10 percent downpayment. Eligible applicants must meet the income limitations. In 1998, the bank originated three loans totaling \$266,400 under this program. For year to date 1999, the bank originated ten loans totaling \$1,335,225.

Braintree Cooperative Bank offers MHFA's First Time Homebuyer Program. This program is limited to first time homebuyers with specific area income and purchase price restrictions targeting low-income individuals. The program offers a 30-year, fixed rate loan that features relaxed underwriting guidelines and reduced downpayment requirements. In 1998, one loan totaling \$60,000 was granted under this program.

MHFA Septic Repair Program is also available at Braintree Cooperative Bank. This program is sponsored by the Department of Environmental Protection (DEP) and the Massachusetts Housing Finance Agency (MHFA). This program assists individuals who may not be able to afford such septic repairs under standard home improvement loan programs. It also helps to stabilize neighborhoods and communities that might otherwise fall into disrepair or neglect from owners who cannot sell their properties as well as help the environment by replacing aging or malfunctioning septic systems that pollute the water supply. In 1998 and 1999, the bank granted two loans totaling \$32,700 under this program.

MARKETING

Braintree Cooperative Bank does not advertise in any foreign language publications however, its marketing program appears to adequately inform the local community of the various services it offers. Newspapers are the heaviest media format utilized.

Management also maintains ongoing relationships with local real estate brokers to keep them informed of the bank's current loan rates and programs.

CREDIT EDUCATION

Braintree Cooperative Bank has not conducted or participated in any seminars since the previous examination.

COUNSELLING

Bank management frequently offers individual counseling to customers filling out credit applications and preparing financial statements. Delinquent customers are directed to appropriate credit counseling agencies for guidance.

SECOND REVIEW PRACTICES

All residential mortgage loan applications that are slated for denial undergo a second review by the Vice President of Lending before a final decision to decline is made and the adverse action notice is sent. The purpose of this review is to ensure that employees are complying with the bank's loan policy as well as to ensure that the decision to deny was valid.

MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minority applicants. From January 1, 1998 through September 30, 1999, Braintree Cooperative Bank received a total of 273 residential loan applications from within its assessment area. During this period, 10 applications, or 3.8

percent, were received from minority applicants. Refer to the following table for further details.

APPLICATION FLOW

Race	1998		Y-T-D 1999		Total	
	#	%	#	%	#	%
American Indian	2	1.5	0	0.0	2	0.8
Asian	1	0.7	2	1.5	3	1.1
Black	0	0.0	1	0.7	1	0.4
Hispanic	1	0.7	0	0.0	1	0.4
Other	1	0.7	2	1.5	3	1.1
Total Minority	5	3.7	5	3.7	10	3.8
White	130	95.6	128	94.1	258	94.6
No Information	1	0.7	3	2.2	4	1.6
Total	136	100.0	136	100.0	273	100.0

The bank's minority application flow for this period was compared with the racial make-up of the assessment area and 1998 aggregate data for all HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow.

According to 1990 Census Data, the bank's assessment area contained a total population of 214,018 individuals of which 7.1 percent are minorities. The minority population is 0.11 percent American Indian, 3.84 percent Asian, 1.84 percent Black, 1.17 percent Hispanic and 0.16 percent Other.

Aggregate information indicated that, of the 16,638 HMDA-reportable applications received within the assessment area in 1998, 10.7 percent were from minorities. As detailed in the above table, Braintree Cooperative Bank received 3.8 percent of its 1998 applications from minorities. Although this percentage appears very low when compared to the aggregate, the number and percentage of applications received from minority applicants has increased significantly since the previous CRA examination conducted by the Commonwealth.

The Town of Braintree has the smallest minority population with 3.2 percent and the Town of Randolph has the highest minority population with 15.6 percent. As mentioned previously, both of the bank's office locations are within the Town of Braintree and competition is significant. Over 368 institutions have originated and/or purchased loans within the bank's assessment area.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

BRAINTREE COOPERATIVE BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **OCTOBER 25, 1999**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 19 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each local community;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that community.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee, which does not exceed the cost of reproduction, and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.